No. 3. May 29,1915.

MONTHLY REPORT
NINTH FEDERAL RESERVE BANK

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SUMMARY.

Business and agricultural conditions throughout the entire Ninth District are favorable. The month of May has brought unusual weather conditions throughout the grain raising territory, with a large amount of rain and numerous cold days. Frost has twice occurred during the month, but without damage except to small fruits and garden products. The cool weather has benefitted the grain crops by giving them stronger root, and although rains have been very frequent and have extended over all parts of the district, there is yet no report of excess moisture.

With the exception of the lumber business and certain lines of manufacturing, which are still depressed, commercial conditions are good. Banks are still in strong condition and in many parts of the grain growing territory deposits are holding up unusually well. There has been no difficulty in meeting the increased demand for money on account of spring activities and financial conditions are generally regarded as very sound.

NORTHERN MICHIGAN.

The action of the Calumet & Hecla Mining Company in announcing a cash distribution of $500,000. to all employes who have previously been working at reduced wages has had a beneficial effect in the copper districts of Northern Michigan. The action the mining company has taken to compensate the men for the loss during the period wages have been reduced will bring their average compensation since September of last year up to the average rate.

On the Marquett and Gogebic iron ranges conditions are still depressed and the mines are producing on no better than a 50% basis. There are some indications that ore shipments from this district will be larger than last year, but the stock piles are at present as large as the mines can afford to carry. The lumber business is still depressed, but it is believed that the low price level was reached in March and the principal concerns anticipate an improvement although it has not so far begun to show itself. Wholesale and distributing concerns report that the announcement of the Calumet and Hecla has had a beneficial effect and will gradually improve local trade conditions as it will enable many of the men who have been working at reduced wages to clean up their accounts at the retail stores.

WISCONSIN.

Northeastern Wisconsin reports the paper mill trade and the lumber business at below normal and retail trade somewhat less than normal. Collections are slow.

Through central Wisconsin local trade shows an improvement and conditions are good. Manufacturing conditions are about the same as 30 days ago. The leather trade has not developed any new business and lumber is moving slowly. Crop prospects are excellent. About 75% of the corn acreage has been planted and live stock is moving freely at good prices. Throughout the central portion of the state the local demand for money is not equal to the supply.

Northwestern Wisconsin reports about the same conditions.

MINNESOTA.

Constructive work is proceeding actively at the new plant of the steel corporation near Duluth and at the new cement plant near by. Further, announcement has been made that both plants will be in operation March 1,1916.

These activities have stimulated conditions on the northern iron ranges and April shipments were 396,273 tons as compared with 86,885 tons for the same month a year ago. Grain shipments for April were heavy, amounting to 15,296,000 bushels as against 4,808,000 bushels for the same month a year ago. Traffic movement for April at the head of the lakes is 22,107 cars as against 21,107 cars for the same month a year ago, or slightly better than normal. Manufacturing conditions are good and wholesale trade reports active business with good collections. Wholesale grocery houses report that a favorable agricultural outlook is showing itself in the gradual improvement of the volume of business and that merchants are showing more confidence than a month ago.

Through central and southern Minnesota conditions are practically normal. The agricultural outlook is excellent, retail trade is healthy and conditions in manufacturing lines are not less favorable than a year ago. The flour milling and grain trades show evidence of great conservatism in consequence of the exceeding high prices, which it is believed will continue until the new crop comes in. The lumber business shows the same depression that is noticeable in other parts of the territory.

Southern Minnesota, in common with central Wisconsin and South Dakota, will show an increased acreage of corn this year. The small grains are in splendid condition.

The consensus of opinion of the larger concerns in the wholesale and distributing lines seems to be that collections and other barometers of trade, reflect a greater confidence on the part of local merchants and promise an improvement for autumn and fall trade.

NORTH DAKOTA.

A large crop has been put into the ground and plenty of rain fall has given it an excellent start. More land was plowed last fall than ever before and the grain crop is considered to have been put in in better shape than for many years. There is an optimistic feeling over all of the state and confidence that North Dakota is going to have a good year. Local merchandising is about normal and no particular change in business conditions is anticipated until fall. Banks are in excellent condition and are meeting the demands upon them without difficulty.

SOUTH DAKOTA.

Conditions in South Dakota are about the same as in North Dakota. It is not believed that the cool weather and frosts have had any damaging effect upon the grain crop as a whole, although there has been some injury to garden products and fruit. In some localities barley has suffered some damage, but there is no evidence as yet that any extensive injury has been done this crop. There is a noticeable movement of young cattle and cows into South Dakota and coupled with the disposition on the part of the farmers to hold their breeding stock and ship the market cautiously, even in the face of very favorable prices for all kinds of stock,-the tendency is to increase the amount of stock on the farms.

There is a strong demand for horses for export to Europe, which is bringing considerable money into the state.

MONTANA.

Conditions throughout Montana are about the same as a month ago. Weather and crop conditions have been very favorable and the outlook for good crops was never better. There is no particular change in business conditions. Local merchandising activities are brisk and trade is about normal. There is great activity in the copper district at Butte and through western Montana conditions are good. The lumber mills are suffering from considerable depression and there has been very little change as compared with a month ago.

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June 24th

GENERAL BUSINESS CONDITIONS

DISTRICT NO. 9, MINNEAPOLIS.

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Dull and overcast weather, with an unusual amount of rain following after a cold and rainy May, has undoubtedly damaged the northwestern corn crop. Many fields have been replanted, and in some sections corn has been replanted the second time. Over most of Wisconsin, Minnesota, North and South Dakota the ground has been so wet as to interfere with cultivating corn and the crop has made very little progress. While it is generally admitted among experts that damage has occurred, it is yet too early to estimate it. July and August are the corn months, and with a change of weather and more sunshine corn may yet be a very fair crop.

Small grains have suffered no damage of consequence with the exception of rye, which will be a light crop. Wheat is in excellent condition, and it has been impossible to substantiate reports of any serious damage in any part of the district.

With the exception of a rather poor outlook for corn, crop conditions promise very well.

Business has responded, to a considerable extent, to the promises of a good year in the agricultural

districts. Retail trade is active and collections are good. In the manufacturing centers a good many concerns are still running on short time, but there is a feeling that June is developing a slight change for the better. The lumber trade, which has shown no signs of recovery for several months, is somewhat more active but is still very much depressed.

A noticeable feature ~~of the month's development~~ is an increasing demand for bank accommodation over practically the entire district, with the prospect that during the next thirty days money will be in active demand in support of ~~the~~ a larger volume of commercial business. The wholesale trade is in good condition.

There is a stiff demand for war horses throughout the western Dakotas and Montana, and Montana promises to market the annual wool clip during the next thirty days at prices that are at least as good as the state has ever seen before. Some contracts have already been made at prices ranging from 26 to 28 cents, and the prevailing opinion on the part of experts in touch with the situation, is that the bulk of the clip will bring a price of 26 cents, or from 8 to 10 cents better than the prices of former years.

The healthy optimism, which was a feature of the business situation last month, has not decreased, but if anything has grown, and business men generally

are looking forward to good harvests and a very active fall business. The greatest need of the Northwest at this time is warm and pleasant weather and a period of rapid growth for the grain crops and especially corn.

Minneapolis, Minn.,
June 24, 1915.